

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

CHARTER TOWNSHIP OF SUPERIOR

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006

## **CHARTER TOWNSHIP OF SUPERIOR**

### **TOWNSHIP OFFICIALS**

Supervisor - William McFarlane  
Clerk - Kay Williams  
Treasurer - Brenda McKinney

### **BOARD OF TRUSTEES**

William McFarlane  
Kay Williams  
Brenda McKinney  
Nancy Caviston  
David Phillips  
Lisa Lewis  
Rodrick Green

### **LEGAL COUNSEL**

Reading, Etter & Lillich  
Hamilton, McDonald & Carter

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

## TABLE OF CONTENTS

### PAGE NUMBER

#### INDEPENDENT AUDITORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS	8
------------------------------------	---

#### BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS	
Statement of Net Assets	16
Statement of Activities	17

FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	19
Reconciliation of Statement of Net Assets of Governmental Funds to the Balance Sheet	20
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Proprietary Fund, Water and Sewer Fund - Statement of Net Assets	23
Proprietary Fund, Water and Sewer Fund - Statement of Revenues, Expenses, and Changes in Net Assets	24
Water and Sewer Fund - Statement of Cash Flows	25

NOTES TO FINANCIAL STATEMENTS	27
-------------------------------	----

#### REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Statement of Revenues, Expenditures and Changes - in Fund Balance - Budget and Actual	45
Fire Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	47
Law Enforcement Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	49

#### SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS	
All Special Revenue Funds - Combining Balance Sheet	52
All Agency Funds - Combining Balance Sheet	53
All Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	54

## TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
<u>INDIVIDUAL FUNDS</u>	
GENERAL FUND	
Balance Sheet	57
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	58
Statement of Revenues - Budget and Actual	59
Statement of Expenditures - Budget and Actual	60
 BUILDING FUND	
Balance Sheet	68
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	69
 FIRE FUND	
Balance Sheet	71
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	72
Statement of Expenditures - Budget and Actual	73
 FIRE RESERVES FUND	
Balance Sheet	75
Statement of Revenues, Expenditures and Changes in Fund Balance	76
 LEGAL DEFENSE FUND	
Balance Sheet	78
 PARKS AND RECREATION FUND	
Balance Sheet	80
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
Statement of Expenditures - Budget and Actual	82
 LAW ENFORCEMENT FUND	
Balance Sheet	84
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	85
Statement of Revenues and Expenditures - Budget and Actual	86

## TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
STREETLIGHT FUND	
Balance Sheet	88
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	89
SIDE STREET MAINTENANCE FUND	
Balance Sheet	91
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	92
FIRE HALL CONSTRUCTION FUND	
Balance Sheet	94
Statement of Revenues, Expenditures and Changes in Fund Balance	95
WATER AND SEWER FUND	
Schedule of Operations - Budget and Actual	97
Comparative Statement of Revenues and Expenses - Operating Accounts only	98
TRUST AND AGENCY FUND	
Balance Sheet	100
CURRENT TAX FUND	
Balance Sheet	102
PAYROLL FUND	
Balance Sheet	104



**PFEFFER ■ HANNIFORD ■ PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*  
*AICPA Private Practice Companies Section*  
*MACPA*

**225 E. Grand River - Suite 104**  
**Brighton, Michigan 48116-1575**  
**(810) 229-5550**  
**FAX (810) 229-5578**

April 25, 2007

Board of Trustees  
Charter Township of Superior  
3040 North Prospect  
Ypsilanti, MI 48198

**INDEPENDENT AUDITORS' REPORT**

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Superior, as of and for the year ended December 31, 2006, which collectively comprise the Charter Township of Superior's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Superior's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Superior, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other required supplementary information on pages 8 through 13 and 45 through 49 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Superior's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pfeiffer, Hanniford & Palka, P.C.*

**PFEFFER, HANNIFORD & PALKA**  
**Certified Public Accountants**

MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS



Within this section of Charter Township of Superior's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended December 31, 2006. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

### Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

*Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Proprietary funds* are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

### ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

### ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

CHARTER TOWNSHIP OF SUPERIOR  
SUMMARY OF NET ASSETS  
DECEMBER 31, 2005 AND 2006

	Governmental Activities			Business Type Activities			Totals		
	12/31/06	12/31/05	Increase (Decrease)	12/31/06	12/31/05	Increase (Decrease)	12/31/06	12/31/05	Increase (Decrease)
<b>ASSETS</b>									
Current and other assets	\$ 7,870,029	\$ 6,051,359	\$ 1,818,670	\$ 9,589,839	\$ 13,285,507	\$ (3,695,668)	\$ 17,459,868	\$ 19,336,866	\$ (1,876,998)
Capital assets	4,702,950	4,970,459	(267,509)	17,374,438	13,959,374	3,415,064	22,077,388	18,929,833	3,147,555
Total assets	<u>12,572,979</u>	<u>11,021,818</u>	<u>1,551,161</u>	<u>26,964,277</u>	<u>27,244,881</u>	<u>(280,604)</u>	<u>39,537,256</u>	<u>38,266,699</u>	<u>1,270,557</u>
<b>LIABILITIES</b>									
Other liabilities	405,227	381,121	24,106	526,583	856,289	(329,706)	931,810	1,237,410	(305,600)
Deferred revenues	3,684,718	2,859,636	825,082				3,684,718	2,859,636	825,082
Bonds and contracts payable	<u>1,358,571</u>	<u>1,407,857</u>	<u>(49,286)</u>	<u>6,906,429</u>	<u>7,207,143</u>	<u>(300,714)</u>	<u>8,265,000</u>	<u>8,615,000</u>	<u>(350,000)</u>
Total liabilities	<u>5,448,516</u>	<u>4,648,614</u>	<u>799,902</u>	<u>7,433,012</u>	<u>8,063,432</u>	<u>(630,420)</u>	<u>12,881,528</u>	<u>12,712,046</u>	<u>169,482</u>
<b>NET ASSETS</b>									
Invested in capital assets, net of related debt	3,344,379	3,562,602	(218,223)	10,468,008	6,752,231	3,715,777	13,812,387	10,314,833	3,497,554
Unrestricted	<u>3,780,084</u>	<u>2,810,602</u>	<u>969,482</u>	<u>9,063,257</u>	<u>12,429,218</u>	<u>(3,365,961)</u>	<u>12,843,341</u>	<u>15,239,820</u>	<u>(2,396,479)</u>
Total net assets	<u>\$ 7,124,463</u>	<u>\$ 6,373,204</u>	<u>\$ 751,259</u>	<u>\$ 19,531,265</u>	<u>\$ 19,181,449</u>	<u>\$ 349,816</u>	<u>\$ 26,655,728</u>	<u>\$ 25,554,653</u>	<u>\$ 1,101,075</u>

CHARTER TOWNSHIP OF SUPERIOR  
SUMMARY OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDING DECEMBER 31, 2005 AND 2006

	Governmental Activities			Business Type Activities			Totals		
	12/31/06	12/31/05	Increase (Decrease)	12/31/06	12/31/05	Increase (Decrease)	12/31/06	12/31/05	Increase (Decrease)
REVENUES									
Program revenues									
Charges for services	\$ 725,691	\$ 1,127,144	\$ (401,453)	\$ 2,639,067	\$ 2,670,355	\$ (31,288)	\$ 3,364,758	\$ 3,797,499	\$ (432,741)
Capital/operating grants and contributions	92,000	177,160	(85,160)	216,820	3,049,016	(2,832,196)	308,820	3,226,176	(2,917,356)
General revenues									
State shared revenues	773,057	779,482	(6,425)				773,057	779,482	(6,425)
Property taxes	2,920,183	2,559,567	360,616				2,920,183	2,559,567	360,616
Interest	262,608	142,185	120,423	474,281	369,157	105,124	736,889	511,342	225,547
Other	357,315	157,240	200,075				357,315	157,240	200,075
Total revenues	5,130,854	4,942,778	188,076	3,330,168	6,088,528	(2,758,360)	8,461,022	11,031,306	(2,570,284)
EXPENSES									
General government	1,236,519	1,564,307	(327,788)				1,236,519	1,564,307	(327,788)
Building department	357,964	429,296	(71,332)				357,964	429,296	(71,332)
Fire protection	1,530,600	1,608,421	(77,821)				1,530,600	1,608,421	(77,821)
Police protection	771,106	731,126	39,980				771,106	731,126	39,980
Parks and recreation	194,160	236,517	(42,357)				194,160	236,517	(42,357)
Public works	196,153	185,832	10,321				196,153	185,832	10,321
Library	46,000	46,000					46,000	46,000	
Interest on long-term debt	47,093	48,298	(1,205)				47,093	48,298	(1,205)
Water and sewer systems				2,980,352	3,038,603	(58,251)	2,980,352	3,038,603	(58,251)
Total expenses	4,379,595	4,849,797	(470,202)	2,980,352	3,038,603	(58,251)	7,359,947	7,888,400	(528,453)
CHANGE IN NET ASSETS	751,259	92,981	658,278	349,816	3,049,925	(2,700,109)	1,101,075	3,142,906	(2,041,831)
BEGINNING NET ASSETS	6,373,204	6,280,223	92,981	19,181,449	16,131,524	3,049,925	25,554,653	22,411,747	3,142,906
ENDING NET ASSETS	\$ 7,124,463	\$ 6,373,204	\$ 751,259	\$ 19,531,265	\$ 19,181,449	\$ 349,816	\$ 26,655,728	\$ 25,554,653	\$ 1,101,075

For 2006 the Townships revenues for Governmental activities increased slightly (approximately 3.8%) over 2005. However, the expenses for Governmental activities decreased significantly from 2005 (approximately 9.7%). The reason being twofold;

1. management is making an effort to reduce the cost of services and
2. for the most part construction of the new Fire hall was mostly complete in 2005.

The Proprietary fund, (water and sewer) increased its net assets by \$349,816 in 2006. However, the growth (expansion) of the system slowed significantly due to the overall building and development economy. This can be seen by the fact that only \$210,000 was recognized as connection fee revenue (new connections). There were no infrastructure contributions from developers in 2006 towards the water and sewer systems.

#### Financial Analysis of the Township's Major Funds

In 2006 there were three major funds.

1. General Fund - overall the General Fund continues to be strong financially. Its fund balance increased over \$132,000 after supporting other funds with the usual transfers of approximately \$200,000.
2. Fire Operating Fund - The operations of the Fire Fund resulted in an increase of its fund balance \$405,000 prior to transfers out to the Fire Reserves Fund of \$300,000. The Township continues to place emphasis on building up the Fire Department's reserves for future obligations as noted in the notes. As of December 31, 2006 the following shows overall net fund balances for the two fire funds:

Major Fire Operating Fund	\$ 427,245
Non-Major Fire Reserves Fund	<u>1,064,973</u>
Total Fire Fund Balance	<u><u>\$ 1,492,218</u></u>

3. Law Enforcement Fund - The Law Fund also increased its fund balance significantly from \$77,336 to \$169,063. The reason being a large drop in expenditures from what was originally budgeted (over \$100,000). The Township found it was being overcharged by the County Sheriffs department and a refund was provided to the Township. With the escalating costs of police protection this helped the Law Fund significantly with its finances.

#### General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total budgeted appropriations exceeded actual expenditures by \$145,135. Expenditures are budgeted by activity, and only two (2) activities exceeded budgeted appropriations by minimal amounts. The budget was amended during the year to account for immaterial economic reality discrepancies.

#### Capital Asset and Debt Administration

The governmental funds of the Township purchased \$68,583 of new capital assets this year. The old Fire Hall portion (original cost for portion of building) of the Township Hall was transferred to the general Township at \$153,763.

The governmental funds issued no debt during the year, but managed to extinguish \$49,000 of the \$1,500,000 previously outstanding debt related to the fire hall construction.

The business-type activities began several construction projects for the water and sewer department totaling over 2.5 million for the year. The Water and Sewer department purchased from Parks a building and land for \$400,000 and also made various equipment purchases for approximately \$110,000.

The business-type activities issued no debt for the year ended December 31, 2006.

### Economic Conditions and Future Activities

The Township is anticipating a further drop in state revenue sharing for its general fund to continue into next year due to the declining economic environment. State Revenue Sharing is made up of two components, statutory and constitutional. The constitutional amount can not be adjusted by the state legislature and accounted for approximately 96% of the total received. The statutory amount can be adjusted by the state legislature and accounted for approximately 4% received. The Township will continue to have a slow down in its building department which will keep planning and building revenues low. The Township will review personnel costs in this area to not overextend itself (run at a deficit) for 2007.

### Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact the Charter Township of Superior at 3040 North Prospect, Ypsilanti, Michigan, 48198.

BASIC  
FINANCIAL  
STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS



CHARTER TOWNSHIP OF SUPERIOR  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2006

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,570,227	\$ 9,028,448	\$ 13,598,675
Receivables			
Taxes	2,364,824		2,364,824
Grant	92,000		92,000
Special assessments	45,797		45,797
State shared revenues	254,436		254,436
Other	239,337	459,858	699,195
Intergovernmental	210,661	13,249	223,910
Inventory		62,825	62,825
Prepaid expenditures	92,747	25,459	118,206
Capital assets:			
Land	966,001	30,000	996,001
Buildings and improvements	4,047,141	434,273	4,481,414
Utility system		13,340,237	13,340,237
Vehicles and equipment	1,317,691	350,401	1,668,092
Construction in progress		5,933,023	5,933,023
Less: accumulated depreciation	(1,627,883)	(2,713,496)	(4,341,379)
Total assets	<u>12,572,979</u>	<u>26,964,277</u>	<u>39,537,256</u>
<b>LIABILITIES</b>			
Accounts payable	120,305	395,804	516,109
Accounts payable - intergovernmental		2,563	2,563
Accrued compensated absences	284,922	32,389	317,311
Deposits		95,827	95,827
Deferred revenues	3,684,718		3,684,718
Contracts payable		5,095,000	5,095,000
Bonds payable	<u>1,358,571</u>	<u>1,811,429</u>	<u>3,170,000</u>
Total liabilities	<u>5,448,516</u>	<u>7,433,012</u>	<u>12,881,528</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,344,379	10,468,008	13,812,387
Unrestricted	<u>3,780,084</u>	<u>9,063,257</u>	<u>12,843,341</u>
Total net assets	<u>\$ 7,124,463</u>	<u>\$ 19,531,265</u>	<u>\$ 26,655,728</u>

The accompanying notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ (1,236,519)	\$ 332,497	\$ 92,000	\$	\$ (812,022)	\$	\$ (812,022)
Building department	(357,964)	261,622			(96,342)		(96,342)
Fire protection	(1,530,600)	3,500			(1,527,100)		(1,527,100)
Police protection	(771,106)	121,863			(649,243)		(649,243)
Parks and recreation	(194,160)	6,209			(187,951)		(187,951)
Public works	(196,153)				(196,153)		(196,153)
Library	(46,000)				(46,000)		(46,000)
Interest on long-term debt	(47,093)				(47,093)		(47,093)
Total governmental activities	(4,379,595)	725,691	92,000		(3,561,904)		(3,561,904)
Business-type activities - sewer and water	(2,980,352)	2,639,067	6,820	210,000		(124,465)	(124,465)
Total	<u>\$ (7,359,947)</u>	<u>\$ 3,364,758</u>	<u>\$ 98,820</u>	<u>\$ 210,000</u>			
General revenues							
Property taxes					2,840,071		2,840,071
Special assessments					80,112		80,112
Disposition of assets					223,795		223,795
State shared revenues					773,057		773,057
Unrestricted investment earnings					262,608	474,281	736,889
Rental income					2,892		2,892
Cable franchise fees					117,612		117,612
Other income					13,016		13,016
Total general revenues					4,313,163	474,281	4,787,444
Changes in net assets					751,259	349,816	1,101,075
Net assets, January 1, 2006					6,373,204	19,181,449	25,554,653
Net assets, December 31, 2006					<u>\$ 7,124,463</u>	<u>\$ 19,531,265</u>	<u>\$ 26,655,728</u>

The accompanying notes are an integral part of the financial statements.

FUND  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006

	General Fund	Fire Fund	Law Fund	Other Non-major Funds	Totals
<u>ASSETS</u>					
ASSETS					
Cash and equivalents	\$ 754,510	\$ 946,539	\$ 428,014	\$ 2,441,164	\$ 4,570,227
Receivables					
Accounts receivable - taxes	296,578	1,186,147	788,667	93,432	2,364,824
Accounts receivable - grant	92,000				92,000
Special assessment				45,797	45,797
State shared revenue receivable	254,436				254,436
Due from other funds	64,301	89,647	59,548	42,194	255,690
Accounts receivable - other	109,718	4,834	118,424	1,554	234,530
Accrued interest receivable				4,807	4,807
Prepaid expenditures	28,909	53,132		10,706	92,747
Total assets	<u>\$ 1,600,452</u>	<u>\$ 2,280,299</u>	<u>\$ 1,394,653</u>	<u>\$ 2,639,654</u>	<u>\$ 7,915,058</u>
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Accounts payable	\$ 100,783	\$ 6,215	\$ 3,422	\$ 9,885	\$ 120,305
Deferred revenue	460,188	1,840,493	1,222,168	161,869	3,684,718
Due to other funds	5,570	6,346		33,113	45,029
Total liabilities	<u>566,541</u>	<u>1,853,054</u>	<u>1,225,590</u>	<u>204,867</u>	<u>3,850,052</u>
FUND BALANCE					
Reserved					
Park land development				12,414	12,414
Unreserved					
Designated	24,470		21,603	1,826,882	1,872,955
Undesignated	1,009,441	427,245	147,460	595,491	2,179,637
Total fund equity	<u>1,033,911</u>	<u>427,245</u>	<u>169,063</u>	<u>2,434,787</u>	<u>4,065,006</u>
Total liabilities and fund balance	<u>\$ 1,600,452</u>	<u>\$ 2,280,299</u>	<u>\$ 1,394,653</u>	<u>\$ 2,639,654</u>	<u>\$ 7,915,058</u>

The accompanying notes are an integral part of the financial statements.

**PFEFFER, HANNIFORD & PALKA**

*Certified Public Accountants*

CHARTER TOWNSHIP OF SUPERIOR  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
DECEMBER 31, 2006

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balance per balance sheet		\$ 4,065,006
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Historical cost	\$6,330,833	
Depreciation	<u>(1,627,883)</u>	
Capital assets net of depreciation		4,702,950
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. This includes:		
Bonds payable	(1,358,571)	
Compensated absences	<u>(284,922)</u>	
Total		<u>(1,643,493)</u>
Net assets of governmental activities		<u>\$ 7,124,463</u>

The accompanying notes are an integral part of the financial statements.

**PFEFFER, HANNIFORD & PALKA**

*Certified Public Accountants*

CHARTER TOWNSHIP OF SUPERIOR  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Fund	Fire Fund	Law Fund	Other Non-major Funds	Totals
<b>REVENUES</b>					
Taxes	\$ 423,007	\$ 1,691,964	\$ 725,100	\$	\$ 2,840,071
Special assessments				80,112	80,112
Licenses and permits				261,622	261,622
Law enforcement			94,218		94,218
Accounting fees	17,833				17,833
Trailer fees	4,031				4,031
Cable fees	117,612				117,612
State shared revenue	773,057				773,057
Departmental fees	2,600				2,600
Planning department	232,208				232,208
Summer tax levy	21,080				21,080
Solid waste	2,764				2,764
Building department	41,170				41,170
ROW fees	8,666				8,666
Ordinance fees	190				190
Disposition of assets				403,500	403,500
Grants	92,000				92,000
Charges for services		3,500	875	6,209	10,584
Rental income				2,892	2,892
Administration fees				1,080	1,080
Fines and forfeitures			27,645		27,645
Interest income	103,509	45,261	14,995	98,843	262,608
Other income	10,916	1,475		625	13,016
Total revenues	<u>1,850,643</u>	<u>1,742,200</u>	<u>862,833</u>	<u>854,883</u>	<u>5,310,559</u>
<b>EXPENDITURES</b>					
Elected officials	429,598				429,598
General government	971,417				971,417
Public works	117,956				117,956
Building department				346,048	346,048
Fire protection		1,336,859		31,038	1,367,897
Parks and recreation					
Administration				66,858	66,858
Recreation				19,137	19,137
Maintenance and improvements				129,398	129,398
Law enforcement					
Crime control			770,228		770,228
Neighborhood watch			561		561
Tax chargebacks			317		317
Side street maintenance				13,677	13,677
Utilities				64,520	64,520
Total expenditures	<u>1,518,971</u>	<u>1,336,859</u>	<u>771,106</u>	<u>670,676</u>	<u>4,297,612</u>
Excess (deficiency) of revenues over (under) expenditures	331,672	405,341	91,727	184,207	1,012,947
<b>OTHER FINANCING SOURCES</b>					
Transfers in (out)	<u>(199,657)</u>	<u>(281,452)</u>		<u>481,109</u>	
Excess (deficiency) of revenues over expenditures and other financing sources	132,015	123,889	91,727	665,316	1,012,947
FUND BALANCE, JANUARY 1, 2006	<u>901,896</u>	<u>303,356</u>	<u>77,336</u>	<u>1,769,471</u>	<u>3,052,059</u>
FUND BALANCE, DECEMBER 31, 2006	<u>\$ 1,033,911</u>	<u>\$ 427,245</u>	<u>\$ 169,063</u>	<u>\$ 2,434,787</u>	<u>\$ 4,065,006</u>

The accompanying notes are an integral part of the financial statements.

**PFEFFER, HANNIFORD & PALKA**

*Certified Public Accountants*

CHARTER TOWNSHIP OF SUPERIOR  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 1,012,947
--	--------------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 222,346	
Depreciation expense	(156,387)	
Disposal of asset	<u>(333,468)</u>	
Net		(267,509)

Repayment of bond and contract payable is an expenditure in the governmental funds, but the repayment deducts long-term liabilities in the Statement of Net Assets.

Repayment of bonds payable	49,286
----------------------------	--------

Accrued absences for vacation and sick time for the employees is Recorded on the Statement of Net Assets

Accrued absences at December 31, 2006	(284,922)	
Accrued absences at December 31, 2005	<u>241,457</u>	
Net		<u>(43,465)</u>

Change in net assets of governmental activities	<u>\$ 751,259</u>
---	-------------------

The accompanying notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
 PROPRIETARY FUND - WATER AND SEWER FUND  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,313,188	
Due from other funds	13,249	
Accounts receivable - billing	368,768	
Accounts receivable - other	91,090	
Prepaid expenses	25,459	
Inventory	<u>62,825</u>	
Total current assets		\$ 1,874,579

RESTRICTED ASSETS

Cash and cash equivalents		7,715,260
---------------------------	--	-----------

PROPERTY, PLANT, EQUIPMENT AND CONSTRUCTION IN PROGRESS

Land	30,000	
Building	412,902	
Water and sewer systems	12,423,036	
Equipment and improvements	807,193	
Office improvements	21,371	
Office equipment	112,081	
Vehicles	238,320	
Metering program	110,008	
Construction in progress	<u>5,933,023</u>	
	20,087,934	
Less accumulated depreciation	<u>2,713,496</u>	
Net property, plant and equipment		<u>17,374,438</u>
Total assets		<u>26,964,277</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	395,804	
Accrued sick and vacation	32,389	
Customer deposits	95,827	
Contract payable (from restricted assets)	250,000	
Bonds payable (from restricted assets)	68,571	
Due to other funds	<u>2,563</u>	
Total current liabilities		845,154

LONG-TERM LIABILITIES

Contract payable (from restricted assets)	4,845,000	
Bonds payable (from restricted assets)	<u>1,742,858</u>	
Total long-term liabilities		<u>6,587,858</u>
Total liabilities		<u>7,433,012</u>

NET ASSETS

NET ASSETS

Invested in capital assets, net of related debt	10,468,008	
Unrestricted	<u>9,063,257</u>	
Total net assets		<u>\$ 19,531,265</u>

The accompanying notes are an integral part of the financial statements.



CHARTER TOWNSHIP OF SUPERIOR  
 PROPRIETARY FUND, WATER AND SEWER FUND  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2006

<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,581,142
Meter sales	23,850
Other revenues	34,075
Total operating revenues	<u>2,639,067</u>
<b>OPERATING EXPENSES</b>	
Water and sewer purchases	1,566,894
Depreciation	381,120
Operating supplies and meters	66,328
Office expenses	8,735
Professional services	31,473
Salaries and wages	359,847
Payroll taxes	28,529
Taxable benefits	20,204
Health insurance	58,068
Pension	34,417
Telecommunications	9,132
Insurance	21,154
Transportation	2,326
Utilities	27,018
Repairs and maintenance	56,885
Publications	5,099
Memberships and dues	3,673
Computer expenses	9,046
Training and other employee expense	4,121
Uniforms	2,381
Health savings expense	7,839
Leased equipment	4,621
Total operating expenses	<u>2,708,910</u>
<b>OPERATING (LOSS)</b>	<u>(69,843)</u>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>	
Interest income - operations	64,515
Interest income - restricted	409,766
Interest expense - debt	(270,948)
Agency fees - debt	(494)
Grant	6,820
Total non-operating revenues and (expenses)	<u>209,659</u>
Income before capital contributions	<u>139,816</u>
<b>CAPITAL CONTRIBUTIONS</b>	
Connection fees - cash	<u>210,000</u>
Change in net assets	349,816
NET ASSETS, JANUARY 1, 2006	<u>19,181,449</u>
NET ASSETS, DECEMBER 31, 2006	<u><u>\$ 19,531,265</u></u>

The accompanying notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
WATER AND SEWER FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:

Cash received from users	\$ 2,639,067	
Cash payments to employees	(359,847)	
Cash payments to suppliers	<u>(2,146,991)</u>	
Net cash from operating activities		\$ 132,229

CASH FLOWS FROM (USED IN) CAPITAL AND RELATED  
FINANCING ACTIVITIES

Interest on restricted assets	409,766	
Acquisition of equipment and construction	(3,796,183)	
Principle payments on contract payable	(300,714)	
Interest payments on contract payable	(271,442)	
State grant	<u>6,820</u>	
Net cash (used in) capital and related financing activities		(3,951,753)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and cash equivalents	<u>64,515</u>	
Net (decrease) in cash and cash equivalents		(3,755,009)

CASH AND CASH EQUIVALENTS, JANUARY 1, 2006	<u>12,783,457</u>	
--	-------------------	--

CASH AND CASH EQUIVALENTS, DECEMBER 31, 2006	<u><u>\$ 9,028,448</u></u>	
--	----------------------------	--

RECONCILIATION OF OPERATING (LOSS) TO NET CASH FROM  
(USED IN) OPERATING ACTIVITIES:

Operating (loss)	\$ (69,843)	
Adjustments to reconcile operating income to net cash from (used in) operating activities:		
Depreciation	381,120	
Water and sewer connection fees	210,000	
Changes in assets and liabilities		
(Increase) in accounts receivable	(20,647)	
(Increase) in prepaid expenses	(5,954)	
(Increase) in inventory	(30,768)	
Increase in accounts payable	193,944	
Increase in accrued vacation and sick	1,357	
(Decrease) in due to other funds	(15,252)	
(Increase) in due from other funds	(1,973)	
(Decrease) in customer deposits	<u>(509,755)</u>	
Total net cash from operating activities		<u><u>\$ 132,229</u></u>

The accompanying notes are an integral part of the financial statements.

NOTES  
TO  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter Township of Superior was incorporated February 26, 1979, under the provision of Public Act 90 of 1976, as amended. The policies of the Charter Township of Superior conform to generally accepted accounting principles as applicable to governmental units.

The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for the activities related to operating fire protection services. This fund is primarily supported through the collection of property taxes.

The Law Enforcement Fund accounts for the activities related to operating police protection services. This fund is primarily supported through the collection of property taxes and charges for services.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

1. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
2. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
3. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond/debt proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BUDGETARY DATA

The Township approves budgets for the general and special revenue funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis.

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the Township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2005 levy was assessed at an adjusted taxable value of \$500,684,549. Taxes are due and payable by February 28. Delinquent real and personal property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General township operations	0.8359
Police	1.4326
Fire	<u>3.3428</u>
Total millage	<u><u>5.6113</u></u>

E. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Charter Township of Superior as the primary government have been included in the financial statements.

NOTE 3 - INTERFUND BALANCES

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. These amounts are reported as current assets in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 64,302	\$ 5,570
Legal Defense Fund	7,087	
Fire Fund	89,647	6,346
Street Light Fund	26,302	21,449
Ground Maintenance Fund	7,892	
Building Fund	913	8,455
Law Fund	59,548	
Parks Fund		3,209
Sewer and Water	13,249	2,563
Trust and Agency		5,390
Current Tax		225,834
Payroll	14,964	5,088
Total	<u>\$ 283,904</u>	<u>\$ 283,904</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - GOVERNMENTAL AND PROPRIETARY CAPITAL ASSETS**

A summary of changes in governmental fund capital assets is as follows:

	Audited Balance 1/1/06	Additions	Deletions	Audited Balance 12/31/06
Land	\$ 991,001	\$	\$ 25,000	\$ 966,001
Buildings				
Fire department	2,549,989	25,761	153,763	2,421,987
General	1,471,391	153,763		1,625,154
Parks	207,925		207,925	
Vehicles				
Building department	36,633			36,633
Fire department	1,007,344	11,616		1,018,960
Parks	23,459			23,459
Equipment				
General	60,492			60,492
Fire department	41,909			41,909
Parks	112,032	31,206	7,000	136,238
Total capital assets	<u>6,502,175</u>	<u>222,346</u>	<u>393,688</u>	<u>6,330,833</u>
Less accumulated depreciation	<u>1,531,716</u>	<u>156,387</u>	<u>60,220</u>	<u>1,627,883</u>
Net property, plant and equipment	<u>\$ 4,970,459</u>	<u>\$ 65,959</u>	<u>\$ 333,468</u>	<u>\$ 4,702,950</u>
Depreciation expense				
General		\$ 42,126		
Building department		7,327		
Fire		95,668		
Parks		<u>11,266</u>		
Total		<u>\$ 156,387</u>		

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. Depreciation expense was recorded in the general government expense portion of the Statement of Activities. There was \$1,358,571 debt related to these capital assets.

Investment in capital assets:	
Historical cost	\$ 6,330,833
Less: Bonds payable	(1,358,571)
Less: Accumulated depreciation	<u>(1,627,883)</u>
Investment in capital assets, net of related debt	<u>\$ 3,344,379</u>



CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 4 - GOVERNMENTAL FUND AND PROPRIETARY CAPITAL ASSETS (continued)

A summary of changes in capital assets and depreciation for the water and sewer fund is as follows:

	Audited Balance 1/1/06	Additions	Deletions	Audited Balance 12/31/06
Land	\$	\$ 30,000	\$	\$ 30,000
Building	42,902	370,000		412,902
Water and Sewer Systems	12,421,925	1,111		12,423,036
Equipment and Improvements	777,985	29,208		807,193
Office Improvements	16,460	4,911		21,371
Office equipment	62,565	49,516		112,081
Vehicles	217,702	20,618		238,320
Metering program	105,500	4,508		110,008
Total cost	<u>13,645,039</u>	<u>509,872</u>		<u>14,154,911</u>
Less accumulated depreciation	<u>2,332,376</u>	<u>381,120</u>		<u>2,713,496</u>
Net property, plant and equipment	11,312,663	128,752		11,441,415
Construction in progress	<u>2,646,711</u>	<u>3,746,358</u>	<u>460,046</u>	<u>5,933,023</u>
Net property, plant, equipment and construction in progress	<u>\$ 13,959,374</u>	<u>\$ 3,875,110</u>	<u>\$ 460,046</u>	<u>\$ 17,374,438</u>

Depreciation for the systems, equipment, improvements and software is charged as an expense against operations.

Accumulated depreciation is reported on the proprietary fund statement of Net Assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water and Sewer Systems	40 years
System Improvements	30 years
Building	30 years
Office Improvements	15 years
Equipment, Furniture and Software	7 years

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 5 - LONG-TERM DEBT**

**A. Governmental Fund Long-Term Debt**

Accrued Compensated Absences – The Township has recorded a liability in the Statement of Net Assets account group for compensated absences of the general, park, building and fire funds. The policies regarding compensated absences are outlined in the Township’s “Rules of Employment” and the “Township Fire Department Agreement”.

During 2003 the Township sold bonds totaling \$3.5M (2003 General Obligation Capital Improvement Bonds) of which \$1.5M was used to help finance the construction of a new fire hall and \$2M was used for various water and sewer projects. The \$1.5M was recorded as part of long-term debt. The \$2M was recorded as a liability in the Enterprise Water and Sewer Fund. Interest varies from 2.5% to 4.0%. The debt is payable to Comerica securities (purchaser).

The following summarizes changes in the Township’s governmental funds’ long-term debt for 2006:

<u>Description</u>	<u>Balance 1/1/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/06</u>
Accrued compensated absences	\$ 241,457	\$ 43,465	\$	\$ 284,922
2003 Capital Improvement Bonds				
Fire Hall	<u>1,407,857</u>		<u>49,286</u>	<u>1,358,571</u>
Totals	<u>\$ 1,649,314</u>	<u>\$ 43,465</u>	<u>\$ 49,286</u>	<u>\$ 1,643,493</u>

**B. Proprietary Fund Long-Term Debt**

The Township’s Water and Sewer Fund has two long-term debt obligations which are as follows:

- Sanitary Sewer System No. 2 Contract Payable – Superior and Ypsilanti Townships jointly reconstructed and improved various parts of a shared sewer system. The total cost was approximately \$8.9M broken out by township as follows:

Superior Township	\$ 6,350,000	71.34831%
Ypsilanti Township	<u>2,550,000</u>	<u>28.65169%</u>
Total	<u>\$ 8,900,000</u>	<u>100.0%</u>

In order to finance the project, the two townships sold bonds in the year 2000 pursuant to the provisions of Act No. 233, Public Acts of Michigan, 1955, as amended. The bonds were sold by Ypsilanti Community Utilities Authority (YCUA). The bonds are payable solely from the proceeds of contractual payments to be paid by the townships to the Authority pursuant to the contract, between the townships and the Authority. Superior Township has pledged its respective limited tax full faith and credit for the payment of its respective contractual payments. Interest ranges between 5% and 5.1% per annum.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 5 - LONG-TERM DEBT (continued)

- 2003 Capital Improvement Bonds Payable - As previously mentioned under governmental fund long-term debt the Township sold bonds of which \$2M of proceeds were used to finance various water and sewer construction projects and was recorded separately as a liability in the water and sewer fund.

The following summarizes changes in the Township's Proprietary Fund (water and sewer) long-term debt for 2006:

<u>Description</u>	<u>Balance 1/1/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/06</u>
Sanitary Sewer #2 Contract Payable	\$ 5,330,000	\$	\$ 235,000	\$ 5,095,000
2003 Capital Improvement Bonds Payable	<u>1,877,143</u>		<u>65,714</u>	<u>1,811,429</u>
Totals	<u>\$ 7,207,143</u>	<u>\$</u>	<u>\$ 300,714</u>	<u>\$ 6,906,429</u>

The following is a schedule of future required principle and interest payments due from Superior Township for long-term debt:

Governmental Fund Long-Term Debt

<u>Year</u>	<u>Total</u>	<u>Principle</u>	<u>Interest</u>
2007	\$ 97,263	\$ 51,429	\$ 45,834
2008	100,208	55,714	44,494
2009	100,932	57,857	43,075
2010	101,451	60,000	41,451
2011	103,873	64,286	39,587
2012 - 2016	533,922	368,571	165,351
2017 - 2021	568,091	475,714	92,377
2022 - 2023	<u>234,129</u>	<u>225,000</u>	<u>9,129</u>
	<u>\$ 1,839,869</u>	<u>\$ 1,358,571</u>	<u>\$ 481,298</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 5 - LONG-TERM DEBT (continued)**

**Proprietary Long-Term Debt**

<u>Year</u>	<u>Sanitary Sewer #2 Contract Payable</u>		
	<u>Total</u>	<u>Principle</u>	<u>Interest</u>
2007	\$ 509,198	\$ 250,000	\$ 259,198
2008	506,698	260,000	246,698
2009	508,697	275,000	233,697
2010	509,810	290,000	219,810
2011	515,020	310,000	205,020
2012 - 2016	2,590,865	1,820,000	770,865
2017 - 2020	2,138,115	1,890,000	248,115
	<u>\$ 7,278,403</u>	<u>\$ 5,095,000</u>	<u>\$ 2,183,403</u>

<u>Year</u>	<u>2004 Capital Improvement Bonds - Water and Sewer</u>		
	<u>Total</u>	<u>Principle</u>	<u>Interest</u>
2007	\$ 129,683	\$ 68,571	\$ 61,112
2008	133,612	74,286	59,326
2009	134,575	77,143	57,432
2010	135,269	80,000	55,269
2011	138,497	85,714	52,783
2012 - 2016	711,897	491,429	220,468
2017 - 2021	757,455	634,286	123,169
2022 - 2023	312,172	300,000	12,172
	<u>\$ 2,453,160</u>	<u>\$ 1,811,429</u>	<u>\$ 641,731</u>

<u>Year</u>	<u>Total Proprietary Long-Term Debt Water and Sewer</u>		
	<u>Total</u>	<u>Principle</u>	<u>Interest</u>
2007	\$ 638,881	\$ 318,571	\$ 320,310
2008	640,310	334,286	306,024
2009	643,272	352,143	291,129
2010	645,079	370,000	275,079
2011	653,517	395,714	257,803
2012 - 2016	3,302,762	2,311,429	991,333
2017 - 2021	2,895,570	2,524,286	371,284
2022 - 2023	312,172	300,000	12,172
	<u>\$ 9,731,563</u>	<u>\$ 6,906,429</u>	<u>\$ 2,825,134</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 6 - STATEMENT OF CASH FLOWS - ENTERPRISE FUND

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. For purposes of the statement of cash flows, the enterprise fund considers all investments to be cash equivalents due to the highly liquid nature of the investments.

The direct method was utilized to present cash flows from operations. The following is the beginning and ending balances for cash and cash equivalents:

	<u>1/1/06</u>	<u>12/31/06</u>
Unrestricted - operations		
Cash and cash equivalents	\$ 1,233,087	\$ 1,313,188
Restricted		
Cash and cash equivalents	<u>11,550,370</u>	<u>7,715,261</u>
Total	<u>\$ 12,783,457</u>	<u>\$ 9,028,449</u>

The restricted cash and cash equivalents consist of the following:

Capital (construction, replacement, improvement)	\$ 6,120,444
Debt service	1,278,837
Eyde utility study (escrow)	22,654
Section 36 - (escrow)	<u>293,326</u>
Total restricted cash and equivalents	<u>\$ 7,715,261</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - TOWNSHIP PENSION PLANS

The Township originally adopted a defined contribution plan with Manulife which has since become John Hancock. The eligible employees were all Union Firefighters, full time employees, the Fire Chief, Ordinance Officer, Supervisor, Clerk, Treasurer, Deputy Treasurer, and Trustees. The employee must be at least 18 years of age. The plan is a voluntary plan. However, to join the plan the employee was required to contribute 5% of gross earnings. The match is 10% of the employee's gross earnings.

In January 2004, the Township amended the defined contribution plan when it approved the MERS defined benefit plan as mandatory for all future new hires that work full time (excluding Union Firefighters). The eligibility rules changed. Currently eligible employees for the John Hancock plan are the employees that decided to stay with the John Hancock plan and not switch to the MERS plan, newly hired part-time employees including the Fire Chief and Trustees.

The following summarizes that activity in the John Hancock defined contribution plan for 2006:

Total value January 1, 2006		\$ 844,908
Employer contributions	\$ 40,523	
Employee contributions	21,286	
Net earnings for 2006	<u>100,537</u>	
Total additions		162,346
Distributions to participants	(80,014)	
Charges and fees	<u>(9,489)</u>	
Total deductions		<u>(89,503)</u>
Total value December 31, 2006		<u><u>\$ 917,751</u></u>
Covered payroll		<u><u>\$ 442,920</u></u>
Total payroll excluding fireman's payroll		<u><u>\$ 1,224,096</u></u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - TOWNSHIP PENSION PLANS (continued)

The Township also participates in two defined benefit plans with MERS which are as follows:

Division #1 - On October 1, 1990 the Township approved a defined benefit plan (B-3) for all Union Firefighters. Participation is mandatory; employees contribute 6% of earnings (sick pay and uniform allowances are not included as earnings); the plan vests 100% after 10 years of service; retirement options are age 60 with 10 years of service or age 55 with 15 years of service or age 50 with 25 years of service.

Division #2 - On January 1, 2004 the Township approved a defined benefit plan (B-3) for full time non-union employees. Participation is mandatory; employees contribute 5% of earnings; the plan vests 100% after six years of service; retirement options are age 55 with 15 years of service or 30 years of service with no age requirement.

As of December 31, 2006 the fire department had nine covered employees and approximately 17 total employees. Covered and total payrolls for the year ended December 31, 2006 of the fire department were \$675,945 and \$687,161 respectively.

The following information, which is the most current available, was extracted from the township's actuarial consultants, (Segal Company) report as of December 31, 2005 (which may be obtained at the Superior Township Hall). The amount shown as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to (a) help users assess the plan's funding status on a going-concern basis, (b) assess progress being made in accumulating sufficient assets to pay benefits when due, and (c) allow for comparisons among public employee retirement plans. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The unfunded actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2005. Significant actuarial assumptions used in determining the unfunded actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.5% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. For the year ending December 31, 2006 Superior Township contributed \$126,973 to both MER's plans.

Membership Summary 2005

<u>Division</u>	<u>Number of employees</u>	<u>Annual Payroll</u>
1 - Non-Union		
Active	16	\$ 683,870
Retirees and Beneficiaries	-	-
2 - Union Fire		
Active	9	602,397
Retirees and Beneficiaries	3	90,664
Totals		
Active	25	1,286,267
Retires and Beneficiaries	3	90,664

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - TOWNSHIP PENSION PLANS (continued)

Analysis of fund progress:

Divisions 1 & 2 - Actual Members and Accrued Liabilities - Comparative Schedule

<u>VALUATION DATE</u>	<u>NUMBER</u>	<u>ANNUAL PAYROLL</u>	<u>ACCRUED LIABILITIES</u>	<u>VALUATION ASSETS</u>	<u>FUNDED PERCENT</u>	<u>UNFUNDED ACCRUED LIABILITY</u>
1995	6	260,370	618,348	234,594	38	383,754
1996	6	275,251	695,418	324,617	47	370,801
1997	6	288,844	772,786	433,854	56	338,932
1998	6	309,950	885,802	551,617	62	334,185
1999	6	314,248	966,209	692,510	72	273,699
2000	6	315,410	1,097,035	817,170	74	279,865
2001	6	317,189	1,316,845	940,122	71	376,723
2002	7	414,654	1,487,259	1,002,937	67	484,322
2003	9	534,081	1,585,665	1,145,915	72	439,750
2004	23	1,145,728	2,749,453	1,929,568	70	819,885
2005	25	1,286,267	3,119,123	2,157,669	69	961,454

Information could not be provided for the year ended December 31, 2006

At December 31, 2005, the unfunded pension benefit obligation was \$961,454, determined as follows:

**GASB 25 INFORMATION (AS OF DECEMBER 31, 2005)**

Pension Benefit Obligation:

Retirees and beneficiaries currently receiving benefits	\$ 1,062,375
Terminated employees not yet receiving benefits	0
Current employees -	
Accumulated employee contributions including allocated investment income	796,379
Employer financed - Vested	<u>1,260,369</u>
Total actuarial accrued liability	3,119,123
Net assets available for benefits, actuarial value (Market Value is \$2,100,813)	<u>2,157,669</u>
Unfunded actuarial accrued liability	<u>\$ 961,454</u>

**GASB 27 INFORMATION (AS OF DECEMBER 31, 2005)**

Fiscal Year Beginning January 1, 2007

Annual Required Contribution (ARC)	\$ 118,716
Amortization Factor Used	0.053632



CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 8 - FUND BALANCE RESERVATIONS AND DESIGNATIONS**

The following is a summary of all reservations and designations of fund balances for all governmental fund types.

	<u>General Fund</u>	<u>Building Fund</u>	<u>Fire Reserves</u>	<u>Parks and Recreation</u>	<u>Law Fund</u>	<u>Total</u>
RESERVED						
Park land development	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 12,414</u>	<u></u>	<u>\$ 12,414</u>
DESIGNATED						
Park land	\$	\$	\$	\$ 424,356		\$ 424,356
Truck replacement			549,124			549,124
Compensated absences	24,470	43,507	272,648	3,131		343,756
Bond payment			101,749			101,749
Building construction			100,000			100,000
General reserve	<u></u>	<u>290,915</u>	<u>41,452</u>	<u></u>	<u>21,603</u>	<u>353,970</u>
Total designated	<u>\$ 24,470</u>	<u>\$ 334,422</u>	<u>\$ 1,064,973</u>	<u>\$ 427,487</u>	<u>\$ 21,603</u>	<u>\$ 1,872,955</u>

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Insured	\$ 500,000	\$	\$ 500,000	\$ 500,000
Uninsured and uncollateralized	<u>13,098,675</u>	<u>1,108,712</u>	<u>14,207,387</u>	<u>16,804,020</u>
Total deposits	<u>\$ 13,598,675</u>	<u>\$ 1,108,712</u>	<u>\$ 14,707,387</u>	<u>\$ 17,304,020</u>

**NOTE 10 - MERS POST EMPLOYMENT HEALTH CARE SAVINGS PROGRAM**

The Township adopted the MERS post employment health care savings plan during 2005. The program is an employer sponsored program that allows employees to save money in an account that can be used for medical expenses and (or) health insurance premiums after termination of service

For 2006 the Township contributed \$100 per employee per month to individual accounts for each employee, i.e. a total of \$36,630 for all employees. The employee must be considered full time status (37.5 hours per week) to be eligible. To make up for previous years of service, the Township created a compensation schedule with years of service for 15 - 25 years being weighted heavier than years 1 -14. Based on this schedule, a lump sum was deposited in each employee's account by the Township. For each employee to receive the lump sum start-up money a signed release and settlement agreement releasing the Township from a previously adopted retirement health care program was completed by each employee.

The Township requires employees to contribute toward their account an amount based on the employee's employment class. There are more than several different classes of employees. The mandated contributions range from 2% of compensation to 50% of compensation.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - MERS POST EMPLOYMENT HEALTH CARE SAVINGS PROGRAM (continued)

The Township contribution is subject to a vesting schedule as follows:

<u>Employees service</u>	<u>Vested Percentage</u>
Prior to six (6) years full time employment	0%
Six (6) years but less than nine (9) years full time employment	25%
Nine (9) years but less than twelve (12) years full time employment	50%
Twelve (12) years but less than fifteen (15) years full time employment	75%
Fifteen (15) or more years full time employment	100%

The mandated employee contributions are vested immediately and are withheld as pretax contributions.

Employees may also make elective (additional) contributions to the program on a post tax basis.

All contributions are invested in the MERS portfolio and grow tax free. When an employee retires the savings account is available for tax free reimbursement of medical expenses and (or) health insurance premiums for employees, and spouses and dependents of employees.

NOTE 11 - CONTINGENT LIABILITIES - LITIGATION

The Township is currently involved in several disputes related to assessment and zoning matters. Some of these disputes could result in substantial costs to the Township. An estimate of the costs could not be made as of the report date.

NOTE 12 - ECONOMIC DEPENDENCY

The water and sewer fund is economically dependent on one unit, St. Joseph Hospital. This unit makes up for approximately 26% of the total billings of the system.

CHARTER TOWNSHIP OF SUPERIOR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 13 - POST EMPLOYMENT BENEFITS

Per the 2001 – 2005 Superior Township Firefighters Contract, an employee who retires after completing twenty-five years of retirement credited service shall be eligible to receive medical insurance, as does the spouse.

A total of \$15,290 was spent this year on Retirees Health Insurance. No actuarial evaluation has been made for this program.

NOTE 14 - GRANT ACTIVITIES AND CONTINGENCIES

The grants have been received by the Charter Township of Superior for various fire department and parks and recreation activities. These grants are subject to financial and compliance audits by the grantors or their representatives. The audits for the year ended December 31, 2005 and 2006 have not yet been completed.

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Township maintains a proprietary fund which is financed by user charges. Segment information as of December 31, 2006 follows:

	<u>Water and Sewer System</u>
Operating revenues	\$ 2,639,067
Depreciation	381,120
Operating (loss)	(69,843)
Interest and other non-operating revenues and (expenses)	209,659
Capital contributions	210,000
Change in net assets	349,816
 Current assets	 1,874,579
Current liabilities	845,154
Net working capital	1,029,425
 Total assets	 26,964,277
Total liabilities	7,433,012
Net assets	19,531,265

REQUIRED  
SUPPLEMENTARY  
INFORMATION

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 421,381	\$ 421,381	\$ 423,007	\$ 1,626
Accounting services	18,000	18,000	17,833	(167)
Trailer fees	4,400	4,400	4,031	(369)
Cable TV fees	104,000	104,000	117,612	13,612
State shared revenues	800,000	801,097	773,057	(28,040)
Grant		92,000	92,000	
Departmental fees	500	2,550	2,600	50
Planning department professional fees	322,400	257,400	232,208	(25,192)
Summer tax collection fees	19,450	21,080	21,080	
Solid waste	2,900	2,900	2,764	(136)
Interest income	34,100	59,900	103,509	43,609
Building fund contribution	55,000	41,000	41,170	170
ROW fees	7,569	8,666	8,666	
Ordinance violation fees	3,000	500	190	(310)
Reimbursements		2,893	2,894	1
Other income	1,460	1,460	1,487	27
Unvested refund		6,535	6,535	
Total revenues	1,794,160	1,845,762	1,850,643	4,881
<b>EXPENDITURES</b>				
Township board	\$ 155,746	\$ 135,258	\$ 118,606	\$ 16,652
Township supervisor	80,301	81,063	81,052	11
Elections	31,145	31,144	26,472	4,672
Accountant	107,369	100,869	100,730	139
Assessor	167,082	168,582	167,192	1,390
Township attorney	66,000	66,000	49,420	16,580
Township clerk	77,872	78,487	76,166	2,321
Board of review	1,202	2,052	1,034	1,018
Township treasurer	163,546	158,152	153,774	4,378
Computer service department	25,436	20,437	18,366	2,071
Buildings and grounds	59,763	93,716	71,308	22,408
Special projects	55,735	183,108	174,836	8,272
Cemetery upkeep	1,350	1,350	1,350	
Ordinance enforcement	17,151	17,151	16,020	1,131
Planning commission	363,342	289,662	273,962	15,700
Zoning board of appeals	1,230	2,180	2,238	(58)
Design review board	698	698	281	417
Wetlands board	2,316	2,316	736	1,580
Roads	150,000	150,000	106,724	43,276
Solid waste management system	12,600	14,600	11,232	3,368
Transportation system	19,081	19,081	20,227	(1,146)
Economic development	1,000	1,000	1,000	
Library	46,000	46,000	46,000	
Contingencies	6,200	1,200	245	955
Total expenditures	1,612,165	1,664,106	1,518,971	145,135

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures before other financing sources	\$ 181,995	\$ 181,656	\$ 331,672	\$ 150,016
OTHER FINANCING SOURCES				
Transfers (out)	<u>(210,160)</u>	<u>(179,657)</u>	<u>(199,657)</u>	<u>(20,000)</u>
Excess of revenues over (under) expenditures and other financing sources	(28,165)	1,999	132,015	130,016
FUND BALANCE, JANUARY 1, 2006	<u>901,896</u>	<u>901,896</u>	<u>901,896</u>	
FUND BALANCE, DECEMBER 31, 2006	<u><u>\$ 873,731</u></u>	<u><u>\$ 903,895</u></u>	<u><u>\$ 1,033,911</u></u>	<u><u>\$ 130,016</u></u>

CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 1,685,120	\$ 1,685,120	\$ 1,691,964	\$ 6,844
Charges for services		3,600	3,500	(100)
Other income	3,600	20,000	1,475	(18,525)
Donation	36,000	43,000	45,261	2,261
Total revenues	1,724,720	1,751,720	1,742,200	(9,520)
<b>EXPENDITURES</b>				
Salaries	642,984	677,984	658,618	19,366
Fire chief - salary	35,500	35,500	31,646	3,854
Fire marshal - salary	9,785	17,446	18,600	(1,154)
Part-time wages	30,000	29,300	28,152	1,148
Contract services			450	(450)
Training	6,000	1,500	1,030	470
Payroll taxes	55,412	58,699	55,970	2,729
Health insurance	95,403	102,853	98,459	4,394
Prescription reimbursement	2,500	2,500	1,218	1,282
Taxable benefits	13,125	18,325	17,265	1,060
Benefit time cash out	7,000	7,000	2,160	4,840
Pension	62,000	62,000	62,537	(537)
Pension - chief	3,870	3,870	3,077	793
Uniform allowance	10,274	10,274	6,140	4,134
Holiday allowance	6,453	6,453	6,453	
Office supplies	2,345	2,345	171	2,174
Operating supplies	62,000	62,000	42,570	19,430
Repairs and maintenance - supplies	13,000	7,000	3,536	3,464
Professional services	17,000	17,000	13,811	3,189
Telephone	30,000	30,000	26,304	3,696
Transportation	200	200		200
Meals and lodging	1,000	1,000	560	440
Fire prevention	1,000	1,000	753	247
Insurance and bonds	60,000	60,000	57,536	2,464
Utilities	45,000	38,700	22,247	16,453
Repairs and maintenance - equipment	45,000	45,000	39,854	5,146
Books and periodicals	2,500	2,500	945	1,555
Memberships and dues	3,500	3,500	1,627	1,873
Bank fees	50	50	31	19
Contingency	76,427	7,877	727	7,150
Building additions and improvements	10,000	23,000	18,149	4,851
Debt principle	49,300	49,300	49,286	14
Debt interest	47,092	47,092	47,093	(1)
Equipment rental	4,000	4,000	3,636	364
Equipment	15,000	15,000	16,248	(1,248)
Total expenditures	1,464,720	1,450,268	1,336,859	113,409



CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Excess (deficiency) of revenues over (under) expenditures before other financing sources	\$ 260,000	\$ 301,452	\$ 405,341	\$ 103,889
OTHER FINANCING SOURCES				
Transfers (out) in	(260,000)	(301,452)	(281,452)	20,000
Excess (deficiency) of revenues over (under) expenditures after other financing sources			123,889	123,889
FUND BALANCE, JANUARY 1, 2006	303,356	303,356	303,356	
FUND BALANCE, DECEMBER 31, 2006	\$ 303,356	\$ 303,356	\$ 427,245	\$ 123,889

CHARTER TOWNSHIP OF SUPERIOR  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 722,179	\$ 722,179	\$ 725,100	\$ 2,921
General fund contribution	30,503			
Fines and forfeits	25,000	25,000	27,645	2,645
Law enforcement	94,218	94,218	94,218	
Charge for service			875	875
Interest	1,500	14,100	14,995	895
Total revenues	873,400	855,497	862,833	7,336
<b>EXPENDITURES</b>				
Crime Control				
Contract services	847,962	847,962	747,731	100,231
Operating supplies	200	200		200
Professional services	13,000	13,000	13,331	(331)
Printing and publishing	1,000	1,000		1,000
Utilities	5,538	8,738	8,388	350
Repairs and maintenance	600	600	778	(178)
Neighborhood Watch				
Salaries	2,000	2,000	521	1,479
Social security	153	153	40	113
Operating supplies	600	600		600
Transportation	100	100		100
Printing and publishing	800	800		800
Project costs	547	547		547
Postage	800	800		800
Tax chargebacks		600	317	283
Total expenditures	873,300	877,100	771,106	105,994
Excess (deficiency) of revenues over (under) expenditures before other financing sources	100	(21,603)	91,727	113,330
<b>OTHER FINANCING SOURCES</b>				
Transfers-in	(100)			
Excess (deficiency) of revenues over (under) expenditures after other financing sources		(21,603)	91,727	113,330
FUND BALANCE, JANUARY 1, 2006	77,336	77,336	77,336	
FUND BALANCE, DECEMBER 31, 2006	\$ 77,336	\$ 55,733	\$ 169,063	\$ 113,330

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SUPERIOR  
ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2006

	Building Fund	Legal Defense Fund	Fire Fund	Fire Reserves Fund	Parks and Recreation Fund	Law Enforcement Fund	Streetlight Fund	Side Street Maintenance Fund	Totals
<b>ASSETS</b>									
Cash and cash equivalents	\$ 721,946	\$ 43,930	\$ 946,539	\$ 1,064,973	\$ 541,098	\$ 428,014	\$ 26,723	\$ 7,334	\$ 3,780,557
Accounts receivable - taxes		93,432	1,186,147			788,667			2,068,246
Accounts receivable - special							36,270	9,527	45,797
Due from other funds	913	7,087	89,647			59,548	26,302	7,892	191,389
Accounts receivable - other			4,834			118,424	1,554		124,812
Interest receivable					4,807				4,807
Prepaid expenditures	2,444		53,132		8,262				63,838
Total assets	<u>\$ 725,303</u>	<u>\$ 144,449</u>	<u>\$ 2,280,299</u>	<u>\$ 1,064,973</u>	<u>\$ 554,167</u>	<u>\$ 1,394,653</u>	<u>\$ 90,849</u>	<u>\$ 24,753</u>	<u>\$ 6,279,446</u>
<b>LIABILITIES AND FUND BALANCE</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ 1,118	\$	\$ 6,215	\$	\$ 2,859	\$ 3,422	\$ 5,908	\$	\$ 19,522
Deferred revenue		144,449	1,840,493			1,222,168		17,420	3,224,530
Due to other funds	8,455		6,346		3,209		21,449		39,459
Total liabilities	<u>9,573</u>	<u>144,449</u>	<u>1,853,054</u>		<u>6,068</u>	<u>1,225,590</u>	<u>27,357</u>	<u>17,420</u>	<u>3,283,511</u>
<b>FUND BALANCE</b>									
Reserved:									
Park land development					12,414				12,414
Unreserved:									
Designated	334,422			1,064,973	427,487	21,603			1,848,485
Undesignated	381,308		427,245		108,198	147,460	63,492	7,333	1,135,036
Total fund equity	<u>715,730</u>		<u>427,245</u>	<u>1,064,973</u>	<u>548,099</u>	<u>169,063</u>	<u>63,492</u>	<u>7,333</u>	<u>2,995,935</u>
Total liabilities and fund equity	<u>\$ 725,303</u>	<u>\$ 144,449</u>	<u>\$ 2,280,299</u>	<u>\$ 1,064,973</u>	<u>\$ 554,167</u>	<u>\$ 1,394,653</u>	<u>\$ 90,849</u>	<u>\$ 24,753</u>	<u>\$ 6,279,446</u>

CHARTER TOWNSHIP OF SUPERIOR  
ALL AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2006

	Trust and Agency Fund	Current Tax Fund	Payroll Fund	Totals
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 361,878	\$ 710,619	\$ 36,216	\$ 1,108,713
Due from other funds			14,964	14,964
Due from others			371	371
Total assets	<u>\$ 361,878</u>	<u>\$ 710,619</u>	<u>\$ 51,551</u>	<u>\$ 1,124,048</u>
<u>LIABILITIES</u>				
LIABILITIES				
Due to others	\$ 356,488	\$ 484,786	\$ 46,463	\$ 887,737
Due to other funds	5,390	225,833	5,088	236,311
Total liabilities	<u>\$ 361,878</u>	<u>\$ 710,619</u>	<u>\$ 51,551</u>	<u>\$ 1,124,048</u>

CHARTER TOWNSHIP OF SUPERIOR  
ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Building Fund	Fire Fund	Fire Reserves Fund	Parks and Recreation Fund	Law Enforcement Fund	Streetlight Fund	Side Street Maintenance Fund	Totals (Memorandum Only)	
								2006	2005
REVENUES									
Taxes	\$	\$ 1,691,964	\$	\$	\$ 725,100	\$	\$ 17,540	\$ 2,434,604	\$ 2,177,538
Special assessments						62,572		62,572	80,364
Licenses and permits	261,622							261,622	492,824
Disposition of assets				403,500				403,500	12,750
Charges for services		3,500		6,209	94,218			103,927	104,165
Rental income				2,892				2,892	15,895
Administration fees	1,080							1,080	3,440
Fines and forfeitures					27,645			27,645	31,686
Insurance reimbursement									61,629
Interest income	35,299	45,261	34,029	23,592	14,995	2,899	528	156,603	73,725
Other income		1,475		625	875			2,975	4,771
Total revenues	298,001	1,742,200	34,029	436,818	862,833	65,471	18,068	3,457,420	3,058,787
EXPENDITURES									
Building department	346,048							346,048	437,790
Fire protection		1,336,859	5,276					1,342,135	1,650,736
Parks and recreation									
Administration				66,858				66,858	61,600
Recreation				19,137				19,137	21,302
Maintenance and Improvements				129,398				129,398	119,371
Buildings and grounds									18,340
Law enforcement									
Crime control					770,228			770,228	730,321
Neighborhood watch					561			561	504
Tax chargebacks					317			317	301
Side street maintenance							13,677	13,677	20,650
Utilities						64,520		64,520	55,875
Total expenditures	346,048	1,336,859	5,276	215,393	771,106	64,520	13,677	2,752,879	3,116,790

Excess (deficiency) of revenues over (under) expenditures before other financing sources	(48,047)	405,341	28,753	221,425	91,727	951	4,391	704,541	(58,003)
OTHER FINANCING SOURCES									
Operating transfers-in		20,000						20,000	
Operating transfers-(out)		(301,452)	301,452	179,657				179,657	224,983
Total other financing sources		(281,452)	301,452	179,657				199,657	224,983
Excess (deficiency) of revenues over (under) expenditures after other financing sources	(48,047)	123,889	330,205	401,082	91,727	951	4,391	904,198	166,980
FUND BALANCE, JAN 1, 2006	763,777	303,356	734,768	147,017	77,336	62,541	2,942	2,091,737	1,924,757
FUND BALANCE, DEC 31, 2006	\$ 715,730	\$ 427,245	\$ 1,064,973	\$ 548,099	\$ 169,063	\$ 63,492	\$ 7,333	\$ 2,995,935	\$ 2,091,737



INDIVIDUAL  
FUNDS

GENERAL  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 754,510
Accounts receivable - taxes	296,578
Accounts receivable - grant	92,000
Accounts receivable - state shared revenues	254,436
Accounts receivable - other	109,718
Due from other funds	64,301
Prepaid expenditures	<u>28,909</u>

Total assets		<u>\$ 1,600,452</u>
--------------	--	---------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 100,783
Deferred revenue	460,188
Due to other funds	<u>5,570</u>

Total liabilities		\$ 566,541
-------------------	--	------------

FUND BALANCE

Unreserved	
Undesignated	1,009,441
Designated	<u>24,470</u>

Total fund balance		<u>1,033,911</u>
--------------------	--	------------------

Total liabilities and fund balance		<u>\$ 1,600,452</u>
------------------------------------	--	---------------------

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	\$ 1,845,762	\$ 1,850,643	\$ 4,881
EXPENDITURES	1,664,106	1,518,971	145,135
Excess (deficiency) of revenues over (under) expenditures	181,656	331,672	150,016
OTHER FINANCING SOURCES			
Transfers (out)	(179,657)	(199,657)	(20,000)
Excess (deficiency) of revenues over (under) expenditures after other financing sources	1,999	132,015	130,016
FUND BALANCE, JANUARY 1, 2006	901,896	901,896	
FUND BALANCE, DECEMBER 31, 2006	\$ 903,895	\$ 1,033,911	\$ 130,016

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 421,381	\$ 423,007	\$ 1,626
Accounting services	18,000	17,833	(167)
Trailer fees	4,400	4,031	(369)
Cable TV fees	104,000	117,612	13,612
State shared revenues	801,097	773,057	(28,040)
Grant	92,000	92,000	
Departmental fees	2,550	2,600	50
Planning department professional fees	257,400	232,208	(25,192)
Summer tax collection fees	21,080	21,080	
Solid waste	2,900	2,764	(136)
Interest income	59,900	103,509	43,609
Building fund contribution	41,000	41,170	170
ROW fees	8,666	8,666	
Ordinance violation fees	500	190	(310)
Reimbursements	2,893	2,894	1
Other income	1,460	1,487	27
Unvested refunds	6,535	6,535	
Total revenues	<u>\$ 1,845,762</u>	<u>\$ 1,850,643</u>	<u>\$ 4,881</u>

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Salaries	\$ 7,800	\$ 7,700	\$ 100
Assistant wages	10,725	10,274	451
Part-time wages	1,523		1,523
Contract services	1,500	280	1,220
Training	2,253	1,544	709
Payroll taxes	4,804	5,232	(428)
Health insurance	1,500	1,477	23
Prescription reimbursement	2,393	1,132	1,261
Pension		82	(82)
Unemployment taxes	7,000	5,677	1,323
Office supplies	17,000	14,116	2,884
Postage	4,500	3,679	821
Professional services	9,660	8,550	1,110
Professional services - other	8,000	7,706	294
Telephone	26,000	25,475	525
Insurance and bonds	2,800	3,162	(362)
Transportation	1,000	79	921
Meals and lodging	3,100	1,935	1,165
Printing for resale	1,000	741	259
Printing and publishing - newsletter	2,700	2,620	80
Repairs and maintenance	7,000	6,052	948
Equipment rental	2,200	1,322	878
Books and periodicals	200	175	25
Memberships and dues	10,500	9,384	1,116
Bank charges	100	212	(112)
Total	135,258	118,606	16,652

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOWNSHIP SUPERVISOR</b>			
Salary	63,154	63,154	
Payroll taxes	5,196	5,054	142
Health insurance	2,805	2,844	(39)
Taxable benefits	4,062	4,169	(107)
Pension	5,846	5,831	15
	<u>81,063</u>	<u>81,052</u>	<u>11</u>
<b>ELECTIONS</b>			
Salaries	5,046	4,886	160
Contracted services	18,000	17,914	86
Payroll taxes	789	368	421
Supplies	5,150	1,570	3,580
Printing and publishing	660	659	1
Equipment	500	200	300
Postage	999	875	124
	<u>31,144</u>	<u>26,472</u>	<u>4,672</u>
<b>ACCOUNTANT</b>			
Salary	40,905	41,220	(315)
Assistant	29,600	29,562	38
Training	300		300
Payroll taxes	5,908	5,606	302
Health insurance	11,904	12,046	(142)
Taxable benefits	3,856	3,964	(108)
Pension	7,396	7,448	(52)
Operating supplies	1,000	884	116
	<u>100,869</u>	<u>100,730</u>	<u>139</u>

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
ASSESSOR			
Salary	52,719	52,719	
Assistant wages	33,475	33,462	13
Other staff	32,838	31,379	1,459
Training	700	720	(20)
Payroll taxes	9,426	9,223	203
Health insurance	14,493	14,434	59
Taxable benefits	7,620	7,455	165
Pension	11,011	11,510	(499)
Operating supplies	3,900	3,948	(48)
Transportation	1,000	1,267	(267)
Meals and lodging	700	520	180
Memberships and dues	700	555	145
Total	168,582	167,192	1,390
TOWNSHIP ATTORNEY			
Professional services	66,000	49,420	16,580
TOWNSHIP CLERK			
Salary	55,938	55,938	
Deputy salary	200		200
Payroll taxes	4,337	2,140	2,197
Health insurance	12,471	12,494	(23)
Pension	5,541	5,594	(53)
Total	78,487	76,166	2,321
BOARD OF REVIEW			
Contract services	350	235	115
Salaries	800	450	350
Payroll taxes	27	34	(7)
Printing and publishing	250	173	77
Training	375		375
Transportation	250	142	108
Total	2,052	1,034	1,018



CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOWNSHIP TREASURER</b>			
Salary	55,938	55,938	
Deputy salary	30,810	30,208	602
Treasurer assistant	26,200	24,702	1,498
Training	975	975	
Payroll taxes	9,191	8,970	221
Health insurance	12,809	12,329	480
Taxable benefits	9,429	8,453	976
Pension	9,750	9,553	197
Operating supplies	3,050	2,646	404
Total	158,152	153,774	4,378
<b>COMPUTER SERVICE DEPARTMENT</b>			
Salaries	3,480	3,342	138
Operating supplies	7,434	3,761	3,673
Professional service	8,501	10,495	(1,994)
Training	200		200
Taxable benefits	178	178	
Payroll taxes	300	241	59
Pension	344	349	(5)
Total	20,437	18,366	2,071
<b>BUILDINGS AND GROUNDS</b>			
Salaries	13,368	12,357	1,011
Contract services	1,500	1,680	(180)
Payroll taxes	1,053	973	80
Pension	1,337	1,293	44
Taxable benefits	405	368	37
Operating supplies	6,000	5,331	669
Small equipment		463	(463)
Transportation	100	39	61
Utilities	15,500	14,700	800
Drains	19,253	19,252	1
Repairs and maintenance	15,200	14,852	348
Building additions and improvements	20,000		20,000
Total	93,716	71,308	22,408

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
<b>SPECIAL PROJECTS</b>			
Project costs-general	6,500	5,045	1,455
Ordinance compilation	500	618	(118)
Growth management	2,400	2,340	60
Rouge/Huron general permit/project	2,000	2,000	
Huron watershed council	4,160	3,300	860
Old town hall study	12,500	8,441	4,059
Rouge watershed	7,500	7,369	131
N.E. seniors program/Meals on Wheels	2,175	2,150	25
Non-motorized pathway Macarther	135,373	135,575	(202)
Package sewer system study	10,000	7,998	2,002
Total	183,108	174,836	8,272
<b>CEMETERY UPKEEP</b>	1,350	1,350	
<b>ORDINANCE ENFORCEMENT</b>			
Salaries - ordinance enforcement	5,887	5,887	
Salary - zoning officer	5,887	5,887	
Contract services	3,000	2,558	442
Payroll taxes	902	905	(3)
Taxable benefits	180	177	3
Pension	595	606	(11)
Operating supplies	200		200
Transportation	500		500
Total	17,151	16,020	1,131

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
PLANNING COMMISSION			
Salaries	12,000	4,810	7,190
Assistant wages	43,327	43,665	(338)
Contract services		375	(375)
Training	100	504	(404)
Health insurance	5,844	6,029	(185)
Payroll taxes	4,389	3,818	571
Taxable benefits	2,050	2,061	(11)
Pension	4,332	4,589	(257)
Professional services	215,320	205,292	10,028
Operating supplies	300	685	(385)
Printing and publishing	2,000	2,134	(134)
Total	289,662	273,962	15,700
ZONING BOARD OF APPEALS			
Salary	300	780	(480)
Training	100		100
Contract services	900	1,020	(120)
Payroll taxes	30	60	(30)
Printing and publishing	850	378	472
Total	2,180	2,238	(58)
DESIGN REVIEW BOARD			
Salaries	300	50	250
Contract services	300	225	75
Payroll taxes	23	6	17
Printing and publishing	75		75
Total	698	281	417
WETLANDS BOARD			
Salaries	200	165	35
Payroll taxes	16	11	5
Professional services	1,000		1,000
Contract services	800	560	240
Printing and publishing	300		300
Total	2,316	736	1,580

CHARTER TOWNSHIP OF SUPERIOR  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
ROADS	150,000	106,724	43,276
SOLID WASTE MANAGEMENT SYSTEM			
Recycling	9,500	8,898	602
Bag and tag	2,100	750	1,350
Rubbish collection	3,000	1,584	1,416
Total	14,600	11,232	3,368
TRANSPORTATION SYSTEM			
A.A.T.A. contract	15,680	15,680	
Project costs	3,401	4,547	(1,146)
Total	19,081	20,227	(1,146)
ECONOMIC DEVELOPMENT			
W.D.C. contract	1,000	1,000	
LIBRARY			
Library contribution	46,000	46,000	
CONTINGENCIES			
Tax chargebacks	1,200	245	955
Total expenditures	<u>\$ 1,664,106</u>	<u>\$ 1,518,971</u>	<u>\$ 145,135</u>

BUILDING  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
BUILDING FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 721,946	
Due from other funds	913	
Prepaid expenditures	<u>2,444</u>	
Total assets		<u>\$ 725,303</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 1,118	
Due to other funds	<u>8,455</u>	
Total liabilities		\$ 9,573

FUND BALANCE

Unreserved		
Undesignated	381,308	
Designated	<u>334,422</u>	
Total fund balance		<u>715,730</u>
Total liabilities and fund balance		<u>\$ 725,303</u>

CHARTER TOWNSHIP OF SUPERIOR  
BUILDING FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Business licenses and permits	\$ 258,000	\$ 261,622	\$ 3,622
Administration fees	3,000	1,080	(1,920)
Interest	28,000	35,299	7,299
Total revenues	289,000	298,001	9,001
EXPENDITURES			
Accountant	16,900	18,748	(1,848)
Computer support	6,600	2,512	4,088
Maintenance	9,200	9,928	(728)
Salaries	188,929	176,745	12,184
Contract services	57,000	43,220	13,780
Training	3,000	880	2,120
Payroll taxes	15,028	14,166	862
Health insurance	24,191	24,735	(544)
Prescription reimbursement	200	24	176
Taxable benefits	14,185	14,553	(368)
Pension	17,789	17,735	54
Office supplies	800	272	528
Postage	1,500	432	1,068
Operating supplies	3,103	1,655	1,448
Equipment	3,000		3,000
Professional services	5,400	2,910	2,490
Telephone	3,000	2,397	603
Insurance	7,000	6,106	894
Transportation	5,000	3,835	1,165
Meals and lodging	2,000	361	1,639
Repairs and maintenance	3,500	1,940	1,560
Equipment rental		209	(209)
Membership and dues	1,500	1,715	(215)
Books and periodicals	2,000	779	1,221
Printing and publishing	625	191	434
Construction board of appeals	750		750
Total expenditures	392,200	346,048	46,152
Excess (deficiency) of revenues over (under) expenditures	(103,200)	(48,047)	55,153
FUND BALANCE, JANUARY 1, 2006	763,777	763,777	
FUND BALANCE, DECEMBER 31, 2006	\$ 660,577	\$ 715,730	\$ 55,153

FIRE  
FUND



CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 946,539
Accounts receivable - others	4,834
Accounts receivable - taxes	1,186,147
Due from other funds	89,647
Prepaid expenditures	<u>53,132</u>

Total assets		\$ <u>2,280,299</u>
--------------	--	---------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 6,215
Deferred revenue	1,840,493
Due to other funds	<u>6,346</u>

Total liabilities		\$ 1,853,054
-------------------	--	--------------

FUND BALANCE

Undesignated		<u>427,245</u>
--------------	--	----------------

Total liabilities and fund balance		\$ <u>2,280,299</u>
------------------------------------	--	---------------------

CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,685,120	\$ 1,691,964	\$ 6,844
Charges for services	3,600	3,500	(100)
Other income	20,000	1,475	(18,525)
Interest income	43,000	45,261	2,261
Total revenues	1,751,720	1,742,200	(9,520)
EXPENDITURES	1,450,268	1,336,859	113,409
Excess (deficiency) of revenues over (under) expenditures before other financing sources	301,452	405,341	103,889
OTHER FINANCING SOURCES			
Transfer in		20,000	20,000
Transfers (out)	(301,452)	(301,452)	
Total other financing sources	(301,452)	(281,452)	20,000
Excess (deficiency) of revenues over (under) expenditures after other financing sources		123,889	123,889
FUND BALANCE, JANUARY 1, 2006	303,356	303,356	
FUND BALANCE, DECEMBER 31, 2006	\$ 303,356	\$ 427,245	\$ 123,889

CHARTER TOWNSHIP OF SUPERIOR  
FIRE FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries	\$ 677,984	\$ 658,618	\$ 19,366
Fire chief - salary	35,500	31,646	3,854
Fire marshal - salary	17,446	18,600	(1,154)
Part-time wages	29,300	28,152	1,148
Contract services		450	(450)
Training	1,500	1,030	470
Payroll taxes	58,699	55,970	2,729
Health insurance	102,853	98,459	4,394
Prescription reimbursement	2,500	1,218	1,282
Taxable benefits	18,325	17,265	1,060
Benefit time cash out	7,000	2,160	4,840
Pension	62,000	62,537	(537)
Pension - chief	3,870	3,077	793
Uniform allowance	10,274	6,140	4,134
Holiday allowance	6,453	6,453	
Office supplies	2,345	171	2,174
Operating supplies	62,000	42,570	19,430
Repairs and maintenance - supplies	7,000	3,536	3,464
Professional services	17,000	13,811	3,189
Telephone	30,000	26,304	3,696
Transportation	200		200
Meals and lodging	1,000	560	440
Fire prevention	1,000	753	247
Insurance and bonds	60,000	57,536	2,464
Utilities	38,700	22,247	16,453
Repairs and maintenance - equipment	45,000	39,854	5,146
Books and periodicals	2,500	945	1,555
Memberships and dues	3,500	1,627	1,873
Bank fees	50	31	19
Contingencies	7,877	727	7,150
Building additions and improvements	23,000	18,149	4,851
Debt principle	49,300	49,286	14
Debt interest	47,092	47,093	(1)
Equipment rental	4,000	3,636	364
Equipment	15,000	16,248	(1,248)
Total expenditures	<u>\$ 1,450,268</u>	<u>\$ 1,336,859</u>	<u>\$ 113,409</u>

FIRE RESERVES  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
FIRE RESERVES FUND  
BALANCE SHEET  
DECEMBER 31, 2006

<u>ASSETS</u>	
ASSETS	
Cash	<u>\$ 1,064,973</u>
 <u>FUND BALANCE</u>	
FUND BALANCE	
Restricted	<u>\$ 1,064,973</u>

CHARTER TOWNSHIP OF SUPERIOR  
FIRE RESERVES FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Actual</u>
REVENUES	
Interest income	\$     34,029
EXPENDITURES	
Equipment	<u>5,276</u>
Excess (deficiency) of revenues over (under) before other financing sources	28,753
OTHER FINANCING SOURCES	
Transfers in	<u>301,452</u>
Excess (deficiency) of revenues over (under) expenditures after other financing sources	330,205
FUND BALANCE, JANUARY 1, 2006	<u>734,768</u>
FUND BALANCE, DECEMBER 31, 2006	<u><u>\$   1,064,973</u></u>

LEGAL DEFENSE  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
LEGAL DEFENSE FUND  
BALANCE SHEET  
DECEMBER 31, 2006

<u>ASSETS</u>		
ASSETS		
Cash	\$ 43,930	
Accounts receivable - taxes	93,432	
Due from other funds	<u>7,087</u>	
Total assets		<u>\$ 144,449</u>
<u>LIABILITIES</u>		
LIABILITIES		
Deferred revenue		<u>\$ 144,449</u>



PARKS AND RECREATION  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
PARKS AND RECREATION FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 541,098	
Accrued interest receivable	4,807	
Prepaid expenditures	<u>8,262</u>	
Total assets		<u>\$ 554,167</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 2,859	
Due to other funds	<u>3,209</u>	
Total liabilities		\$ 6,068

FUND BALANCE

Reserved:		
Park land development	12,414	
Unreserved:		
Designated	427,487	
Undesignated	<u>108,198</u>	
Total fund balance		<u>548,099</u>
Total liabilities and fund balance		<u>\$ 554,167</u>

CHARTER TOWNSHIP OF SUPERIOR  
PARKS AND RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Disposition of assets	\$ 403,500	\$ 403,500	\$
User fees	6,940	6,209	(731)
Interest income	18,000	23,592	5,592
Rental income	2,867	2,892	25
Miscellaneous income	<u>        </u>	<u>625</u>	<u>625</u>
Total revenues	431,307	436,818	5,511
EXPENDITURES	<u>220,700</u>	<u>215,393</u>	<u>5,307</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	210,607	221,425	10,818
OTHER FINANCING SOURCES			
Transfer in	<u>179,657</u>	<u>179,657</u>	<u>        </u>
Excess (deficiency) of revenues over (under) expenditures after other financing sources	390,264	401,082	10,818
FUND BALANCE, JANUARY 1, 2006	<u>147,017</u>	<u>147,017</u>	<u>        </u>
FUND BALANCE, DECEMBER 31, 2006	<u><u>\$ 537,281</u></u>	<u><u>\$ 548,099</u></u>	<u><u>\$ 10,818</u></u>

CHARTER TOWNSHIP OF SUPERIOR  
PARKS AND RECREATION FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
ADMINISTRATION			
Salaries	\$ 32,079	\$ 32,389	\$ (310)
Operating supplies	200	711	(511)
Payroll taxes	2,854	2,471	383
Taxable benefits	1,950	1,950	
Health insurance	2,970	3,015	(45)
Prescription reimbursement	720	415	305
Pension	2,980	2,751	229
Insurance and bonds	9,089	8,995	94
Office supplies	1,255	1,080	175
Professional services	1,228	2,080	(852)
Professional services - accountant	6,000	6,000	
Repairs and maintenance	2,000	1,200	800
Telephone	1,244	1,483	(239)
Printing and publishing	570	570	
Utilities	800		800
Capital improvement	3,000	1,472	1,528
Transportation	275	243	32
Miscellaneous	430	33	397
Totals	69,644	66,858	2,786
RECREATION			
Salaries	13,945	13,944	1
Contract services	1,182	1,182	
Payroll taxes	1,067	1,067	
Operating supplies	1,580	1,179	401
Telecommunications	426	825	(399)
Repair and maintenance	461	461	
Transportation	478	479	(1)
Totals	19,139	19,137	2
MAINTENANCE AND IMPROVEMENTS			
Salaries	3,759	3,759	
Seasonal wages	51,300	50,608	692
Payroll taxes	4,365	4,214	151
Health insurance	7,988	7,988	
Taxable benefits	4,216	4,216	
Pension	2,522	2,459	63
Operating supplies	8,496	6,985	1,511
Uniforms	723	711	12
Fuel and lubricants	4,000	4,015	(15)
Telephone	1,075	1,074	1
Transportation	150	283	(133)
Utilities	600	448	152
Repair and Maintenance	3,464	3,477	(13)
Controlled burns			
Small tools	1,847	1,749	98
Equipment	31,206	31,206	
Beautification project	6,206	6,206	
Totals	131,917	129,398	2,519
Total expenditures	\$ 220,700	\$ 215,393	\$ 5,307

LAW ENFORCEMENT  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
LAW ENFORCEMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 428,014
Accounts receivable - taxes	788,667
Accounts receivable - other	118,424
Due from other funds	<u>59,548</u>

Total assets		<u>\$ 1,394,653</u>
--------------	--	---------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 3,422
Deferred revenue	<u>1,222,168</u>

Total liabilities		\$ 1,225,590
-------------------	--	--------------

FUND BALANCE

Restricted	21,603
Unrestricted	<u>147,460</u>

Total fund balance		<u>169,063</u>
--------------------	--	----------------

Total liabilities and fund balance		<u>\$ 1,394,653</u>
------------------------------------	--	---------------------

CHARTER TOWNSHIP OF SUPERIOR  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$ 855,497	\$ 862,833	\$ 7,336
EXPENDITURES	<u>877,100</u>	<u>771,106</u>	<u>105,994</u>
Excess (deficiency) of revenues over (under) expenditures	(21,603)	91,727	113,330
FUND BALANCE, JANUARY 1, 2006	<u>77,336</u>	<u>77,336</u>	
FUND BALANCE, DECEMBER 31, 2006	<u><u>\$ 55,733</u></u>	<u><u>\$ 169,063</u></u>	<u><u>\$ 113,330</u></u>

CHARTER TOWNSHIP OF SUPERIOR  
LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 722,179	\$ 725,100	\$ 2,921
General fund contribution			
Fines and forfeits	25,000	27,645	2,645
Law enforcement	94,218	94,218	
Charge for service		875	875
Interest	14,100	14,995	895
	<u>14,100</u>	<u>14,995</u>	<u>895</u>
Total revenues	<u>\$ 855,497</u>	<u>\$ 862,833</u>	<u>\$ 7,336</u>
EXPENDITURES			
Crime Control			
Contract services	\$ 847,962	\$ 747,731	\$ 100,231
Operating supplies	200		200
Professional services	13,000	13,331	(331)
Printing and publishing	1,000		1,000
Utilities	8,738	8,388	350
Repairs and maintenance	600	778	(178)
Neighborhood Watch			
Salaries	2,000	521	1,479
Social security	153	40	113
Operating supplies	600		600
Transportation	100		100
Printing and publishing	800		800
Project costs	547		547
Postage	800		800
Tax chargebacks	600	317	283
	<u>600</u>	<u>317</u>	<u>283</u>
Total expenditures	<u>\$ 877,100</u>	<u>\$ 771,106</u>	<u>\$ 105,994</u>



STREETLIGHT  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
STREETLIGHT FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$ 26,723
Accounts receivable - special assessment	36,270
Due from other funds	26,302
Due from others	<u>1,554</u>

Total assets		<u>\$ 90,849</u>
--------------	--	------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 5,908
Deferred revenue	<u>21,449</u>

Total liabilities		\$ 27,357
-------------------	--	-----------

FUND BALANCE

Unrestricted		<u>63,492</u>
--------------	--	---------------

Total liabilities and fund balance		<u>\$ 90,849</u>
------------------------------------	--	------------------

CHARTER TOWNSHIP OF SUPERIOR  
STREETLIGHT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$ 65,906	\$ 62,572	\$ (3,334)
Interest income	<u>600</u>	<u>2,899</u>	<u>2,299</u>
Total revenues	<u>66,506</u>	<u>65,471</u>	<u>(1,035)</u>
EXPENDITURES			
Utilities	60,256	64,020	(3,764)
Professional services	<u>1,250</u>	<u>500</u>	<u>750</u>
Total expenditures	<u>61,506</u>	<u>64,520</u>	<u>(3,014)</u>
Excess (deficiency) of revenues over (under) expenditures	5,000	951	(4,049)
FUND BALANCE, JANUARY 1, 2006	<u>62,541</u>	<u>62,541</u>	
FUND BALANCE, DECEMBER 31, 2006	<u><u>\$ 67,541</u></u>	<u><u>\$ 63,492</u></u>	<u><u>\$ (4,049)</u></u>

SIDE STREET  
MAINTENANCE  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
SIDE STREET MAINTENANCE FUND  
BALANCE SHEET  
DECEMBER 31, 2006

<u>ASSETS</u>		
ASSETS		
Cash	\$ 7,334	
Due from other funds	7,892	
Accounts receivable - special assessment	<u>9,527</u>	
Total assets		<u>\$ 24,753</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Deferred revenue	\$ 17,420	
FUND BALANCE		<u>7,333</u>
Total liabilities and fund balance		<u>\$ 24,753</u>

CHARTER TOWNSHIP OF SUPERIOR  
SIDE STREET MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessment	\$ 17,420	\$ 17,540	\$ 120
Interest income	<u>100</u>	<u>528</u>	<u>428</u>
Total revenues	<u>17,520</u>	<u>18,068</u>	<u>548</u>
EXPENDITURES			
Contract services	13,650	13,580	70
Project costs	3,870		3,870
Operating supplies	<u>          </u>	<u>97</u>	<u>(97)</u>
Total expenditures	<u>17,520</u>	<u>13,677</u>	<u>3,843</u>
Excess (deficiency) of revenues over (under) expenditures		4,391	4,391
FUND BALANCE, JANUARY 1, 2006	<u>2,942</u>	<u>2,942</u>	
FUND BALANCE, DECEMBER 31, 2006	<u><u>\$ 2,942</u></u>	<u><u>\$ 7,333</u></u>	<u><u>\$ 4,391</u></u>

FIRE HALL  
CONSTRUCTION  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
FIRE HALL CONSTRUCTION FUND  
BALANCE SHEET  
DECEMBER 31, 2006

<u>ASSETS</u>	
ASSETS	
Cash	\$ 35,160
<u>FUND BALANCE</u>	
FUND BALANCE	\$ 35,160



CHARTER TOWNSHIP OF SUPERIOR  
FIRE HALL CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Actual</u>
REVENUES	
Interest income	\$ 2,496
EXPENDITURES	
Professionalsal services	<u>25,762</u>
Excess (deficiency) of revenues over (under) expenditures	 (23,266)
FUND BALANCE, JANUARY 1, 2006	<u>58,426</u>
FUND BALANCE, DECEMBER 31, 2006	<u><u>\$ 35,160</u></u>

WATER AND  
SEWER FUND

CHARTER TOWNSHIP OF SUPERIOR  
WATER AND SEWER FUND  
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Connection fees - cash	\$ 231,000	\$ 210,000	\$ (21,000)
Charges for services	2,600,000	2,581,142	(18,858)
Interest income	444,732	474,281	29,549
Other revenue	32,720	34,075	1,355
Meter sales	24,000	23,850	(150)
State revolving grant		6,820	6,820
Total revenues	<u>\$ 3,332,452</u>	<u>\$ 3,330,168</u>	<u>\$ (2,284)</u>
EXPENSES			
Depreciation	401,624	381,120	20,504
Salaries	367,708	359,847	7,861
Training and other employee expenses	6,000	4,121	1,879
Payroll taxes	31,129	28,529	2,600
Health insurance	66,075	65,907	168
Taxable benefits	20,009	20,204	(195)
Pension	30,692	34,417	(3,725)
Office expenses	10,500	8,735	1,765
Operating supplies and meters	106,000	66,328	39,672
Water and sewer purchases	1,680,000	1,566,894	113,106
Professional	51,900	31,473	20,427
Telecommunications	12,000	9,132	2,868
Insurance	20,000	21,154	(1,154)
Transportation	2,500	2,326	174
Printing and publishing	6,000	5,099	901
Utilities	30,000	27,018	2,982
Repairs and maintenance	78,000	56,885	21,115
Membership and dues	3,000	3,673	(673)
Interest expense - debt	334,263	271,442	62,821
Computer expenses	20,000	9,046	10,954
Uniforms	3,000	2,381	619
Leased equipment	6,000	4,621	1,379
Total expenses	<u>\$ 3,286,400</u>	<u>\$ 2,980,352</u>	<u>\$ 306,048</u>

This schedule is prepared on a budgetary basis for the operating accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

CHARTER TOWNSHIP OF SUPERIOR  
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES -  
OPERATING ACCOUNTS ONLY  
FOR THE YEARS ENDED DECEMBER 31, 2006, 2005, 2004, 2003, 2002

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
REVENUES					
Charges for services	\$ 2,581,142	\$ 2,532,528	\$ 2,265,414	\$ 2,003,028	\$ 1,952,259
Meter sales and other revenue	<u>57,925</u>	<u>137,827</u>	<u>134,280</u>	<u>123,212</u>	<u>40,083</u>
Total revenues	<u>2,639,067</u>	<u>2,670,355</u>	<u>2,399,694</u>	<u>2,126,240</u>	<u>1,992,342</u>
EXPENSES					
Water and sewer purchases	1,566,894	1,604,091	1,423,004	1,199,998	1,204,163
Operating supplies and meters	66,328	107,105	123,512	96,075	30,755
Office expenses	8,735	7,956	13,563	6,502	8,778
Professional services	31,473	14,516	46,749	39,696	37,458
Salaries and wages	359,847	352,668	345,953	294,658	198,672
Payroll taxes	28,529	27,560	26,976	23,150	16,301
Taxable benefits	20,204	16,443	14,511	11,245	15,220
Health insurance	58,068	66,493	77,568	65,537	41,827
Pension	34,417	33,397	28,952	26,920	19,046
Telephone	9,132	10,349	10,431	9,972	7,701
Insurance	21,154	15,057	18,606	9,396	16,382
Transportation	2,326	8,197	5,293	3,621	2,185
Utilities	27,018	4,820	4,439	5,619	5,024
Repairs and maintenance	56,885	86,268	56,947	58,339	32,203
Printing and publishing	5,099	4,637	3,564	3,224	3,636
Office rent		9,391	9,030	8,600	8,190
Memberships and dues	3,673	2,919	3,227	1,017	3,485
Computer expenses	9,046	9,086	10,717	4,173	5,284
Training and other employee expenses	4,121	4,266	2,882	5,929	2,269
Uniforms	2,381	2,118	3,067	2,311	1,470
Health savings expense	7,839	9,000			
Lease equipment	<u>4,621</u>	<u>5,110</u>			
Total expenses	<u>2,327,790</u>	<u>2,401,447</u>	<u>2,228,991</u>	<u>1,875,982</u>	<u>1,660,049</u>
Net revenues over expenses	<u>\$ 311,277</u>	<u>\$ 268,908</u>	<u>\$ 170,703</u>	<u>\$ 250,258</u>	<u>\$ 332,293</u>

This schedule only includes operating revenues and expenses (excludes connection fees revenue, interest income, depreciation expense, and interest expense) and as such does not present results of operations on the basis of generally accepted accounting principles but is presented for supplementary information.

TRUST AND  
AGENCY FUND

CHARTER TOWNSHIP OF SUPERIOR  
TRUST AND AGENCY FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 361,878

LIABILITIES

LIABILITIES

Due to others

\$ 356,488

Due to other funds

5,390

Total liabilities

\$ 361,878

CURRENT TAX  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
CURRENT TAX FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents

\$ 710,619

LIABILITIES

LIABILITIES

Due to others

\$ 484,786

Due to other funds

225,833

Total liabilities

\$ 710,619



PAYROLL  
FUND

CHARTER TOWNSHIP OF SUPERIOR  
PAYROLL FUND  
BALANCE SHEET  
DECEMBER 31, 2006

ASSETS

ASSETS

Cash and cash equivalents	\$	36,216
Due from others		371
Due from other funds		<u>14,964</u>

Total assets			\$	<u><u>51,551</u></u>
--------------	--	--	----	----------------------

LIABILITIES

LIABILITIES

Due to others	\$	46,463
Due to other funds		<u>5,088</u>

Total liabilities			\$	<u><u>51,551</u></u>
-------------------	--	--	----	----------------------